



Before Pervez Musharraf declared a state of emergency in Pakistan in November, Ishrat Husain, a 1972 graduate of Williams' Center for Development Economics, was on the short list to become caretaker prime minister.

The International Civil

By Abid Shah '02

The story often goes like this: A bright young man or woman from a developing country goes abroad for an education, stays, gets a job and settles down.

But in Pakistan, there is a twist in that tale. A generation of bright but now older men is returning, bringing wisdom and experience to key positions in their country. Call their time abroad an incubation—training time—and now they are applying their skills to solve problems at home.

Ishrat Husain is one such man. A 1972 graduate of Williams' Center for Development Economics (CDE), he landed plum spots at the World Bank, first as chief economist for the Africa region, then for the East Asia and Central Asia divisions and then as a director of the poverty and social development department. By 1999, Husain had achieved good standing as an international civil servant.

That year, Gen. Pervez Musharraf took power in Pakistan following a military coup and began looking abroad for expatriate talent. The economy was unstable, and the preceding government had been racked by corruption scandals. Selecting the best candidates from the public and private sectors—the finance minister

came from Citibank, for example—Musharraf asked Husain if he would take charge as governor of the State Bank. Husain saw it as an opportunity to give back and left the World Bank.

Apart from the policy changes, it wouldn't be too cheeky to say Husain's new position had an immediate impact on each of the 160 million Pakistanis. Every banknote carried his signature.

Husain had left his country twice—first after he was noticed as a bright young civil servant by his boss, the governor of the Sindh province. Those were the Cold War years, and the U.S. government, seeking to extend its influence, was sponsoring Pakistani bureaucrats to study in America. Each year, two professors—one from Williams and one from Harvard—interviewed nominees for their respective programs. Out of a candidate pool of 12, Husain was chosen for Williams. From one of the warmer places on this planet, he headed with his wife to snow-packed Williamstown.

Williams was a good experience, Husain says. He topped the class of 25, even though he was the only one without a formal degree in economics. Many other students had already earned a master's degree in the subject.

“I guess I had an applied economics background,” says Husain. “My training was anchored in real-world problems.”

More important, his son was born in North Adams. He is still grateful to a neighbor who drove him and his wife to the hospital for the delivery.

After Williams, he returned to Pakistan for three years, worked and then enrolled at Boston University for a PhD in economics. He finished his doctorate and joined the World Bank as

trickle-down effect: How many of the benefits of growth fall to the poor? As an economist, Husain had a problem.

“We still don’t know how to bring about growth so that benefits accrue to the poor,” he says. “The first systematic evidence of it was the Grameen Bank.”

The bank, founded by Bangladeshi economist Muhammad Yunus, is a microcredit lending organization that gives small loans to poor people to start a business. Yunus won a Nobel

Servant

an analyst monitoring the economic situation in Liberia and Sierra Leone. All that real-world training, as well as the not-so real world theoretical education, was to be applied on a much broader canvas.

People with drive are often easy to spot, and Husain, who today has a spacious office at the end of a long corridor in the Mughal-style Prime Minister’s secretariat in Islamabad, is no exception.

When we meet, he is wearing a crisp gray shalwar kameez, and he is not interested in discussing the minutiae of his life. Instead, he talks about work.

The overriding concerns of his career have been growth and poverty. As chief economist of the World Bank’s East Asia desk from 1994 to 1995, he was fascinated by the growth of the Chinese economy.

“They had a long-term vision, and all these countries are highly disciplined,” says Husain about the unprecedented Chinese expansion. “They had a goal to achieve and a combination of discipline, hard work, commitment and leadership.”

But the problem with fast growth lies in the

prize for his work in 2006.

Thinking that microcredit might be a road out of poverty, Husain instituted huge reforms in Pakistan’s central bank. In the last six years, 5 million people country-wide have taken out small loans, and the program is spreading.

Now, having retired as chief of the State Bank at the end of 2005, Husain heads a committee to oversee reforms across Pakistan. Such is his prestige that he was mentioned as a leading candidate for caretaker prime minister this past winter, before Musharraf declared a state of emergency. In that role, Husain would have governed the country for three months during elections and political campaigns.

Therein lies an uncanny coincidence: Fakhruddin Ahmed, the current caretaker prime minister of Bangladesh, is a CDE graduate and also a former director of the central bank of that country. Ahmed spent the 1970-71 academic year in Williamstown, when Bangladesh and Pakistan were split into separate countries after a civil war. Talk about an alumni network. ■

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